

# **VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

Meeting of the Board of Trustees

**October 29, 2008**

## **Board members present:**

STEVEN JEFFREY, Chairperson, Employee Representative (term expiring July 1, 2010)

DAVID LEWIS, Vice-Chairperson, Employer Representative (term expiring July 1, 2009)

PETER AMONS, Employee Representative (term expiring July 1, 2011)

JEB SPAULDING, Vermont State Treasurer

STEPHEN RAUH, Governor's Appointee

## **Board members absent:**

None

## **Also attending:**

David Driscoll and Dan Sherman, Buck Consultants

Cynthia Webster, Director of Retirement Policy and Outreach

Chairperson Steve Jeffrey called the meeting to order at 10:27 a.m. on Wednesday, October 29, 2008 in the Treasurer's Office Conference Room at 109 State Street, Montpelier, Vermont.

## **ITEM #1    Approve minutes of June 24, 2008 and August 29, 2008**

**On motion of Mr. Rauh seconded by Mr. Spaulding, it was unanimously voted to approve the minutes of June 24, 2008 and August 29, 2008 with amendments.**

## **ITEM #2    Actuarial Valuation for fiscal year ending June 30, 2008**

Mr. Driscoll provided an overview of the results of the actuarial valuation prepared for the fiscal year ending June 30, 2008. He indicated that the employer contribution rates are adequate, and a change is not recommended for FY 2010.

**On motion of Mr. Lewis seconded by Mr. Jeffrey, it was unanimously voted to accept the FY 2008 Valuation Report as presented.**

**On motion of Mr. Lewis seconded by Mr. Spaulding, it was unanimously voted to adopt the following fund policy employer rates for FY 2010 (July 1, 2009 – June 30, 2010):**

<b>Group A employer rate:</b>	<b>4%</b>
<b>Group B employer rate:</b>	<b>5%</b>
<b>Group C employer rate:</b>	<b>6%</b>
<b>Group D employer rate:</b>	<b>9.5%</b>

**On motion of Mr. Lewis seconded by Mr. Amons, it was unanimously voted to continue the \$30 per month stipend to retirees, based on the current eligibility rules, for FY 2010.** The Board agreed to put continuation of the stipend on the agenda when the next Experience Study is reviewed.

The Board was advised that approximately \$2.5 million has been allocated to the Retiree Health Savings fund as of October 29, 2008.

**ITEM #3 Discuss/Act on amended retirement factors**

The Board deferred action on the amended retirement factors until a future meeting.

**ITEM #4 Re-visit June 24, 2008 motion relating to future funding for RHS accounts**

The Board discussed their options for future funding of the RHS account, based on the results of the FY 2008 valuation. **On motion of Mr. Lewis seconded by Mr. Amons, it was unanimously voted, notwithstanding motion of June 24, 2008, to limit employer contributions into the Retiree Health Savings account to postings made up to October 24, 2008, plus any carry-over from FY 2008, and to re-direct employer contributions made after October 24, 2008 into the pension fund.**

**On motion of Mr. Lewis seconded by Mr. Spaulding, it was unanimously voted, notwithstanding motion of June 24, 2008, that a distribution of approximately \$2.5 million be made into the RHS participant accounts on or before January 1, 2009.**

**ITEM #5 Discuss option/impact of providing a window for DC members to elect to transfer back to DB plan**

Mr. Amons suggested the Board consider eliminating the option for employers to offer their employees an opportunity to participate in an alternative Defined Contribution plan. Discussion ensued, with the Board agreeing to take the issue up again at a future Board meeting.

**ITEM #6 Any other business to come before the board**

The board discussed setting their next meeting date during the second or third week of January. Ms. Webster will poll the board for possible dates.

**On a motion by Mr. Spaulding seconded by Mr. Jeffrey, it was unanimously voted to adjourn at 1:05 p.m.**

Respectfully submitted,

Cynthia Webster, Secretary to the Board